

SENATE BILL REPORT

EHB 2073

As Reported by Senate Committee On:
Agriculture, Water, Trade & Economic Development, March 21, 2017

Title: An act relating to the beef commission.

Brief Description: Concerning the beef commission.

Sponsors: Representatives Dent and Buys.

Brief History: Passed House: 3/01/17, 91-7.

Committee Activity: Agriculture, Water, Trade & Economic Development: 3/16/17, 3/21/17 [DP].

Brief Summary of Bill

- Establishes that the focus of the Washington State Beef Commission (Beef Commission) includes promoting the beef industry; engaging in health and safety research and education; providing support to the industry; and maintaining efforts to increase beef consumption.
- Requires the Beef Commission to provide programs to support the sustainable stewardship of cattle and the environment, and also the care and well-being of cattle.
- Requires the Beef Commission to prepare a detailed and explanatory budget and submit to the Legislature a report of its activities and expenditures at the end of each fiscal year.

SENATE COMMITTEE ON AGRICULTURE, WATER, TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Warnick, Chair; Hawkins, Vice Chair; Chase, Ranking Minority Member; Wellman, Assistant Ranking Minority Member; Brown, Honeyford, McCoy, Pearson, Short, Takko and Van De Wege.

Staff: Karen Epps (786-7424)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: The Beef Commission was created by the Washington State Legislature in 1969. The Beef Commission must provide for programs designed to:

- increase the consumption of beef;
- develop more efficient methods for the production, processing, handling, and marketing of beef;
- eliminate transportation rate inequalities on feed grains and supplements and other production supplies adversely affecting Washington producers; and
- properly identify beef and beef products for consumers as to quality and origin.

The Beef Commission is governed by a Board of Directors comprised of:

- two beef producers;
- two dairy, beef, producers;
- two feeders;
- one livestock sales yard operator;
- one meat packer; and
- the Director of the Washington State Department of Agriculture (Director).

Members are appointed by the Director and must be over 25 years of age and have been engaged in the phase of the cattle industry they represent for at least five years. The Beef Commission is required to prepare a budget each year that covers the anticipated income and expenses to be incurred in carrying out the Commission's statutory obligations.

An assessment of \$1 per head on all Washington cattle sold in this state or elsewhere provides funding for the Beef Commission. In addition to this assessment, the Beef Commission has the authority to collect an additional assessment of \$0.50 per head for cattle for the purpose of providing funds for a national beef promotion and research program.

Summary of Bill: The focus of the Beef Commission includes the following responsibilities:

- promotion of the beef industry in a manner that showcases the varied aspects and segments of the industry;
- research and education related to health and safety of beef, in cooperation with the Washington State Department of Agriculture, Washington State University, other institutions of higher learning, and other governmental or nongovernmental institutions doing research on trade or health issues;
- support to the beef industry to establish orderly, fair, and unhampered marketing, grading, and standardizing of beef and beef products; and
- maintain efforts to increase consumption of beef and beef products.

The Beef Commission must provide for programs designed to support the sustainable stewardship of cattle and the environment. The Beef Commission must support and engage in programs that benefit the care and well-being of the cattle. Additionally, the Beef Commission must cooperate with other organizations on joint programs on sustainable stewardship of cattle. The Beef Commission may make grants to research agencies for studies related to beef health, which may include funds for the acquisition of equipment and facilities. The Beef Commission must develop programs:

- on research and education related to health and safety of cattle, beef, and beef products; and

- on industry specific educational projects.

The Beef Commission must prepare a detailed and explanatory budget that contains the complete and detailed financial program of the commission, showing revenues and expenditures. The budget must explain any major changes to financial policy and contain an outline of the proposed financial policies of the Beef Commission for the ensuing fiscal period and describe performance indicators that demonstrate measurable progress toward the Commission's priorities. The budget must be sufficiently detailed to provide transparency for the Beef Commission's actions on behalf of the industry. The Beef Commission must submit to the Legislature a concise yet detailed report of the Commission's activities and expenditures after the completion of each fiscal year.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill is a result of a bill that was introduced last session on a beef check-off increase. This bill comes out of discussions during the interim with folks in the industry, including the dairy farmers, the producers, the packers, and the feeders. Some folks in the beef industry are looking for a few little changes in how the Beef Commission works and this bill is designed to address those concerns. This bill provides transparency around the activities of the Beef Commission. The bill changes priorities a little bit and adds a bit about financial transparency. This bill provides more accountability and oversight about where the money is coming from and where it is going to. The bill attempts to show who is paying the assessment and where the benefits are for the industry.

OTHER: There are policies within the Washington Cattlemen's Association that precludes support of this bill. However, the intent of this bill is to increase transparency and trust in the program and those things are strongly supported. There are seats on the Board that come open periodically, which provides a producer or an organization that would like to be involved in deciding how these funds are spent with the opportunity to serve on the Board to provide direction on how these funds are spent and with the priorities for the Beef Commission. The Beef Commission has done a good job for the industry and in spending those funds and there is every indication that they will continue to do so in the future.

Persons Testifying: PRO: Representative Tom Dent, Prime Sponsor; Dave Dashiell, Cattle Producers of WA.

OTHER: Tyler Cox, WA Cattlemen's Assoc.

Persons Signed In To Testify But Not Testifying: PRO: Jack Field, Washington Cattle Feeders Assoc.